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MISSOURI  
LEGISLATIVE AUDIT  
STATE OF MISSOURI

ST. TAMMAMAN PARKS/RECREATION  
DISTRICT NO. 1  
Cape Girardeau, Missouri

FINANCIAL STATEMENTS AND ACCOUNTANT'S REPORT

December 31, 1976 and 1975

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Bates House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release D0602-11-1977

**57. TAMMAMANT PUBLIC UTILITIES DISTRICT NO. 1**  
Notes to the Financial Statements, continued

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**C. FUND ACCOUNTING**

The district uses a fund structure to fund its operations and the results of its operations and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by separating transactions relating to certain government functions or activities.

A fund is separate accounting entity with a self-balancing set of accounts. The Enterprise Fund accounts for activities similar to those found in the private sector where the intent of the governing body is that the cost (expense, including depreciation and amortization) of providing services on a continuing basis be financed or recovered primarily through user charges.

**D. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied in a fund is determined by its measurement focus. The Enterprise Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of this fund are included on the balance sheet. The accrual basis of accounting is used by the Enterprise Fund. If after this method, revenues are recorded when earned, and expenses are recorded as the their liabilities are incurred.

**E. CASH AND CASH EQUIVALENTS**

Cash includes amounts in transit by using demand deposits and certificates of deposit. Under state law, the savings district may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks registered under Louisiana law and national banks having their principal offices in Louisiana.

**F. FIXED ASSETS**

Fixed assets of the district are included on the balance sheet of the fund. Depreciation of all depreciable fixed assets are charged to an expense against operations. Accumulated depreciation and amortization are reported on the balance sheet. Depreciation is computed using the straight line method over the estimated useful lives of 40 years.

**G. LONG-TERM OBLIGATIONS**

The savings district has no long-term obligations at December 31, 1996 and 1995.

**H. VACATION AND SICK LEAVE AND PENSION PLAN**

The district has no full-time employees, therefore, it does not have a formal vacation and sick leave policy and does not contribute to a pension plan or provide any post-employment benefits.

**2. CASH AND CASH EQUIVALENTS**

At December 31, 1996 and 1995, respectively, the district has cash (book balances) totaling \$126,081 and \$85,382 in interest bearing demand deposit accounts and 1278,969 and \$171,567 in certificates of deposits. On the state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

# Angela J. Harker, CPA

A Professional Accounting Corporation

## Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Management of  
St. Tammany Sewerage District No. 1  
Covington, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the Management of St. Tammany Sewerage District No. 1 and the Legislative Auditors, State of Louisiana, solely to assist the users in evaluating management's assertions about St. Tammany Sewerage District No. 1's compliance with certain laws and regulations during the periods ending December 31, 1998 and 1999 included in the accompanying Louisiana Allocation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with La.S.S. 48:2211-2251 (the public bid law).

No one expenditure was made during the two years for materials and supplies exceeding \$5,000, and no one expenditure was made for public works exceeding \$50,000.

**St. TAMMANY PARISH MUNICIPAL DISTRICT NO. 1**

Notes to the Financial Statements, continued

The district uses a common bookkeeper in conjunction with the St. Tammany Parish Water District No. 3 and the St. Tammany Parish Sewerage District No. 4 of which the districts use a common checking account in the name of St. Tammany Parish Water District No. 3. The St. Tammany Parish Sewerage District No. 1 had a balance as of December 31, 1996 and 1995, respectively of \$69,797 and \$44,029 due from the St. Tammany Parish Water District No. 3.

**3. RECEIVABLES - OTHER**

There were other amounts receivable as of December 31, 1996 and 1995 of \$2,768 and \$5,411, respectively. These receivables represent a credit balance with Baskett Chemicals, Inc. for automobile cylinders.

**4. CHANGES IN FIXED ASSETS**

A summary of changes in fixed assets and related depreciation follows:

	Land	Improvements	Total
Balance at December 31, 1994	\$780	\$296,236	\$301,266
Additions - 1995	0	11,683	11,683
Balance at January 1, 1996	780	484,911	664,791
Additions - 1996	0	4,227	4,227
Less - Accumulated Depreciation	nil	(499,236)	(499,236)
Balance at December 31, 1996	\$780	\$221,898	\$231,798

**5. LIABILITIES**

The sewerage district has no capital or operating leases as of December 31, 1996 and 1995.

**6. LITIGATION**

The sewerage district is not involved in any litigation as of December 31, 1996.

## ST. TAMMANY PARISH SEWERAGE

### DISTRICT NO. 1

Covington, Louisiana

## NOTES TO FINANCIAL STATEMENTS

### INTRODUCTION

The St. Tammany Parish Sewerage District No. 1 was created by the St. Tammany Parish Police Jury, as provided by Louisiana Revised Statutes (R.S. 49:5114-5116). The sewerage district is governed by a five-member board of commissioners appointed by the police jury. The board of commissioners receive no compensation for their services and the sewerage district has no full-time employees. The sewerage district is responsible for maintaining and operating the sewerage system within the boundaries of the sewerage district.

The sewerage district has one sewer treatment plant capable of handling 140,000 gallons of raw sewage each day. The district covers approximately 456 acres and serves approximately 680 customers. The district has accomplished its mission by charging a point service discharge fee ranging from \$4 at its inception to a current fee of \$29 instead of having a tax millage to support operations. This plant was designed and built to take care of 400 people anticipated to live in County Club Estates.

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The accompanying financial statements of St. Tammany Parish Sewerage District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### B. REPORTING ENTITY

Section 2108 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the government reporting entity. In essence, the district is solely accountable for fiscal matters, which include (1) responsibility for funding deficits and operating deficiencies, (2) fiscal management for controlling the collection and disbursement of funds, and (3) because of the scope of public services provided by the district, the district includes all funds, activities, or (units, that are within the oversight responsibility of the district. Certain units of local government exist which the district exercises no oversight responsibility, such as the parish police jury, the parish school board, independently elected parish officials, and municipalities, where the units, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and their financial statements separate from those of the district.

## ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

## STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 1998 AND 1997

	1998	1997
Cash flows from operating activities:		
Cash received from user fees	\$89,514	\$86,187
Cash payments for operating expenses	(48,008)	(73,687)
Net cash provided by operating expenses	41,506	12,500
Cash flows from capital and related financing activities - acquisition and construction of capital assets	(8,227)	(73,686)
Cash flows from investing activities - receipt of interest	94,844	18,334
Net increase (decrease) in cash and cash equivalents	48,123	(4,548)
Cash and cash equivalents at beginning of year	368,649	373,197
Cash and cash equivalents at end of year	\$416,772	\$368,649
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$19,340	\$25,488
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	22,800	22,281
Decrease/(increase) in revenues receivable	(1,424)	2,188
Decrease/(increase) in receivables-other	807	1,589
Net cash provided by operating activities	\$41,506	\$52,096

## ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

## STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

YEARS ENDED DECEMBER 31, 1996 AND 1995

	1996	1995
<b>OPERATING REVENUES</b>		
Charges for services	580,744	650,850
<b>OPERATING EXPENSES</b>		
Bad debts	-	179
Bank charges	189	180
Personal services	3,031	3,606
Office supplies and expenses	488	498
Insurance	1,781	1,866
Utilities	9,321	8,757
Professional services	474	2,375
Depreciation	22,890	22,381
Taxes	280	1,754
Postage	519	685
Miscellaneous	78	587
Repairs & Maintenance	21,802	13,746
Total operating expenses	71,466	68,264
<b>OPERATING INCOME</b>	18,340	25,686
<b>NON OPERATING REVENUES</b>		
Interest income	13,717	17,216
<b>NET INCOME</b>	35,057	42,902
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	784,617	601,713
<b>RETAINED EARNINGS AT END OF YEAR</b>	\$727,734	\$704,615

REVENUES AND EXPENSES: \$100,000,000  
 RETAINED EARNINGS: \$100,000,000

## ST. TAMMANY PARISH SEWERAGE DISTRICT NO. 1

## BALANCE SHEETS

DECEMBER 31, 1996 AND 1995

ASSETS	1996	1995
Current Assets		
Cash and cash equivalents (Note 2)	\$484,072	\$258,943
Revenues Receivable - Charges for services	8,743	5,317
Receivables - Other (Note 3)	2,748	3,411
Accrued interest	1,472	2,559
	<hr/>	<hr/>
Total Current Assets	497,035	269,230
Property, plant and equipment (net of accumulated depreciation) (Note 4)	321,788	306,084
	<hr/>	<hr/>
TOTAL ASSETS	\$730,734	\$784,077
	<hr/>	<hr/>
LIABILITIES AND FUND EQUITY		
Current Liabilities	\$0	\$0
Fund Equity - retained earnings - unreserved	730,734	784,077
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TOTAL LIABILITIES AND FUND EQUITY	\$730,734	\$784,077
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### **Find**

10. Examine bank deposits in the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or IRZ investments.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or IRZ investments.

### **Advances and Benefits**

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

There were no employees of the Sewerage District No. 1 for the period under examination.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of any opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of St. Tammany Sewerage District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and takes responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

  
Joseph J. Baker  
Certified Public Accountant

June 23, 1993

# Angela J. Parker, CPA

A Professional Accounting Corporation

To the Management of  
St. Tammany Parish Sewerage District No. 1  
Covington, Louisiana

I have compiled the accompanying balance sheets of St. Tammany Parish Sewerage District No. 1 as of December 31, 1996 and 1995, and the related statements of resources, expenses, and retained earnings and cash flows for the two years then ended as listed in the opening table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Angela J. Parker  
Certified Public Accountant

June 23, 1997

### **Code of Ethics for Public Officials and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by I.S.A.-RS-42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with a written document stating none of the immediate family of any of the board members ever have accepted anything of value in violation of I.S.A.-RS-42:1101-1124, nor have they been employed by the district in violation of I.S.A.-RS-42:1101-1124.

3. Obtain from management a listing of all employees paid during the period under examination.

Mrs. Mary Jane VanDyke is a part-time bookkeeper employed by the Sewerage District No. 3 and part of her cost is charged to the Sewerage District No. 1. There are no full-time employees of the Sewerage District No. 1.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (1) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Management has stated in a written document to me that Mrs. Mary Jane VanDyke, an employee of Sewerage District No. 3, is not an immediate family member of any board member.

### **Budgeting**

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. There were no amendments to the budget during the year.

6. Place the budget adoption and amendments in the minute book.

Management was unable to furnish me with a copy of the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues and expenditures exceed budgeted amounts by more than 5%.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

#### Accounting and Reporting

8. Randomly select 12 disbursements made during the period under examination and:

a.) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the twelve disbursements and found that payment was for the proper amount and made to the correct payee.

b.) determine if payment(s) were properly coded to the correct fund and general ledger account; and

I examined the twelve selected disbursements and found they were properly coded to the correct general ledger account.

c.) determine whether payments received approval from proper authority.

I examined the twelve selected disbursements and found two monthly utility bills were not signed or approved and one repairs and maintenance invoice was not approved. All other disbursements were properly approved.

#### Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by I.S.A.-RS 42:1 through 42:12 (the open meetings law).

There was no evidence found indicating that the Sewerage District No. 1 properly posted agendas for meetings. However, management has indicated to me that they informed all persons having questions or correspondence with the board of meeting times and dates and invited them to attend.